

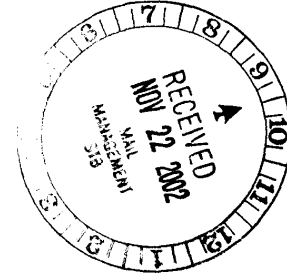


First Union Rail Corporation  
NC5811  
Commercial Leasing Group  
One O'Hare Centre  
6250 River Road, Suite 5000  
Rosemont, IL 60018  
Tel 847 318-7575  
847 318-7588

VIA UPS 2<sup>nd</sup> DAY AIR

November 21, 2002

RECORDATION NO 22846-1H FILED  
NOV 25 '02 9-39AM  
SURFACE TRANSPORTATION BOARD



Mr. Vernon E. Williams  
Surface Transportation Board  
1925 K Street, N.W., Room 704  
Washington, DC 20423-0001  
Attn: Recordation of Railroad Equipment

Re: Memorandum of Lease Agreement

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are three (3) originals and one (1) copy of a Memorandum of Lease Agreement, dated November 5, 2002, a secondary document as defined in the Board's Rules for the Recordation of Documents. The enclosed document relates to the Lease Agreement which was duly filed with the Commission under Recordation Number 22846.

The names and addresses of the parties to the enclosed document are:

Lessor: First Union Rail Corporation  
One O'Hare Center  
6250 River Road, Suite 5000  
Rosemont, IL 60018

Lessee: Albany and Eastern Railroad Company  
1784 South Main  
Lebanon, OR 97355

A description of the railroad equipment covered by the enclosed document is twenty-five (25) 73 foot centerbeam flat cars, with NOKL marks (See Exhibit A for numbers).

A short summary of the document to appear in the index follows: Memorandum of Lease

Also enclosed is a check in the amount of \$30.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped original of the enclosed document to the undersigned along with the additional copies.

If you have any questions or concerns regarding the above-referenced matter, please feel free to contact me at (847) 384-5342. Thank you for your cooperation in this matter.

Very truly yours,

Amy Carone  
Manager of Documentation

Enclosures

(AERC017)

ASSGN. NO.: AERC017

RECORDING NO. 22846-14 FILED

NOV 25 '02

9-39 AM

MEMORANDUM OF LEASE

SURFACE TRANSPORTATION BOARD 5th

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 5th day of November, 2002, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Albany & Eastern Railroad Company ("Lessee"), an Oregon corporation.

**WITNESSETH:**

The undersigned Lessor and Lessee have entered into that certain Master Lease Agreement (the "Lease"), dated as of April 7, 1999, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 17 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of September 25, 2002, and subject to the terms, conditions and provisions of the above-mentioned Lease and Rider.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed under seal by their respective officers duly authorized as of the date and year first above written.

**LESSOR:**

**FIRST UNION RAIL CORPORATION**

ATTEST:

By: [Signature]  
Name: RICHARD F. SEYMOUR  
Title: Vice President Sales & Marketing  
Name: K.A. Dombrowski  
Title: DIRECTOR OF DOCUMENTATION Executed on this 5th day of November, 2002.

[CORPORATE SEAL]

STATE OF ILLINOIS

COUNTY OF COOK

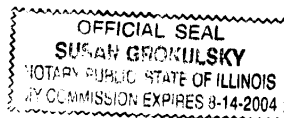
I, SUSAN GROKULSKY, a Notary Public of the County and State aforesaid, certify that RICHARD F. SEYMOUR personally appeared before me this day and acknowledged his/her due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 5th day of November, 2002.

[Signature]  
Notary Public

My Commission Expires:

8-14-2004  
(Notary Public)



LESSEE:

ALBANY & EASTERN RAILROAD COMPANY

ATTEST:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: Mike Root  
Name: Mike Root  
Title: President

Executed on this 28 day of October, 2002.

[CORPORATE SEAL]

STATE OF Oregon  
COUNTY OF Linn



I, Jessica Dalziel, a Notary Public of the County and State aforesaid, certify that Mike Root personally appeared before me this day and acknowledged his her due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 28 day of October, 2002.

Jessica Dalziel  
Notary Public

My Commission Expires:

August 22, 2006  
(Notary Public)

**EXHIBIT A**  
**to**  
**MEMORANDUM OF LEASE**

NUMBER OF CARS:           Twenty-five (25)

DESCRIPTION OF CARS:   73' centerbeam flatcars, 286,000 lb. capacity, built in 1996

CAR NUMBERS:           See below:

NOKL 732505  
NOKL 732514  
NOKL 732520  
NOKL 732523  
NOKL 732533  
NOKL 732536  
NOKL 732546  
NOKL 732561  
NOKL 732569  
NOKL 732572  
NOKL 732581  
NOKL 732586  
NOKL 732589  
NOKL 732593  
NOKL 732594  
NOKL 732597  
NOKL 732603  
NOKL 732610  
NOKL 732611  
NOKL 732633  
NOKL 732638  
NOKL 732640  
NOKL 732645  
NOKL 732648  
NOKL 732653  
Count:           25